

# State of Maine



Department of Administrative and Financial Services

Bureau of Alcoholic Beverages and Lottery Operations

Financial Statements  
Fiscal Year Ending June 30, 2021



JANET T. MILLS  
GOVERNOR

STATE OF MAINE  
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES  
**DIVISION OF FINANCIAL AND PERSONNEL SERVICES**  
74 STATE HOUSE STATION, AUGUSTA, MAINE 04333

KIRSTEN LC FIGUEROA  
COMMISSIONER

September 1, 2021

Gregory R. Mineo, Director  
Timothy R. Poulin, Deputy Director  
Michael Boardman, Deputy Director  
Bureau of Alcoholic Beverages and Lottery Operations  
8 State House Station  
Augusta, Maine 04333-0008

Dear Mr. Mineo, Mr. Poulin and Mr. Boardman:

Submitted herein is the annual report for the Bureau of Alcoholic Beverages and Lottery Operations for the fiscal year ended June 30, 2021. This report presents the financial position of lottery and spirits operations.

If you have any suggestions or comments about these schedules, please contact us at your earliest convenience. Please advise if there are other schedules you wish included in the next annual report.

Sincerely,

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Janre Mullins  
Director,  
General Government Service Center



The Bureau is proud of its commitment to providing the citizens of Maine with fun and exciting entertainment through the responsible sale of lottery games.

The Bureau is committed to generating important revenue for the citizens of Maine in a fiscally and socially responsible manner. We are proud to take a leadership role in promoting responsible gaming in Maine and across the nation. In addition to promoting responsible play on lottery games, sales materials and our website, the Bureau partners with the Maine CDC, Maine's Gambling Control Board, the National Council on Problem Gambling, and the National Association of State and Provincial Lottery's Responsible Gaming Committee to promote responsible gaming and provide resources to those in need.

As part of its fiscal responsibility, since 1974, the Maine Lottery has generated more than \$6.8 billion in sales revenues, \$4.2 billion in prize money and \$464 million in commissions and bonuses to our network of lottery retail agents. Over \$1.616 billion has been transferred to the State's General Fund to support programs and services across Maine. In FY21, for the seventh consecutive year, the Maine Lottery achieved a record transfer to the General Fund totaling more than \$70 million. Additionally, the Maine Lottery achieved records in total sales, instant sales, commissions to lottery retail agents and prize money to winners. In FY21, the transfer to Maine's Outdoor Heritage Fund exceeded \$472,000. Since the Heritage Fund's inception in 1996, the Lottery has transferred more than \$22.2 million to the fund that supports important wildlife conservation programs in Maine.

The Bureau is pleased that the Maine Lottery business has a positive impact for our citizens and supports our local economy in a responsible manner.

[mainelottery.com](http://mainelottery.com)



Maine Spirits is a partnership between the Bureau and its vendor, Pine State Spirits, a subsidiary of Pine State Trading Co. created as a result of a competitive bidding process in FY14. Prior to this new contractual fee for services partnership, Maine created a 10-year lease arrangement with Maine Beverage Company. During the 10-year lease arrangement, the State realized approximately \$189 million in profit for the General Fund. This amount included \$125 million in up-front money paid in FY03 and FY04 and profit sharing when the spirits business generated profits over a guaranteed amount to Maine Beverage Company.

For the sixth consecutive year in FY21, Maine's spirits business achieved record sales of nearly \$237 million, an 8.5% growth rate, which delivered an operating profit of \$61.8 million. Operating profit grew 1.9% compared to FY20, while spirits case sales grew 6.48% on top of growth of 6.78% in FY20.

The Bureau through its partnerships with suppliers, suppliers' representatives and our agency liquor store network, continues to responsibly grow the business. Maine consumers receive more value in their spirits purchases than ever before due to the Bureau's progressive pricing model.

In addition to its fiscal obligation, the Bureau has a social commitment to the citizens of Maine to promote the sale of spirits in a responsible manner.

The Bureau in partnership with Pine State Spirits continued to create unique social responsibility messaging programs using Maine Spirits' social media platforms.

The Bureau is confident that the Maine spirits business has a positive impact and supports our local economy in an orderly and responsible path to market while satisfying the Bureau's legislative mandate.

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**Department of Administrative and Financial Services  
Bureau of Alcoholic Beverages and Lottery Operations  
Historical Gross Sales as Compared to Total Transfers**

For Fiscal Years 2007 - 2021

<b>Fiscal Year</b>	<b>Liquor Sales</b>	<b>Lottery Sales</b>	<b>Heritage Sales</b>	<b>Total Sales</b>
2021	\$ 236,999,257	\$ 388,729,054	\$ 2,007,601	\$ 627,735,911
2020	\$ 218,520,081	\$ 311,597,206	\$ 2,514,102	\$ 532,631,389
2019	\$ 201,783,015	\$ 297,598,818	\$ 1,852,878	\$ 501,234,711
2018	\$ 187,115,708	\$ 291,591,666	\$ 2,542,027	\$ 481,249,401
2017	\$ 178,914,574	\$ 264,405,447	\$ 1,542,308	\$ 444,862,329
2016	\$ 165,366,535	\$ 270,047,651	\$ 2,291,833	\$ 437,706,018
2015	\$ 156,136,691	\$ 250,671,431	\$ 2,400,612	\$ 408,585,278
2014	\$ 143,966,700	\$ 227,935,315	\$ 2,021,379	\$ 373,923,394
2013	\$ 138,357,900	\$ 225,640,604	\$ 2,083,042	\$ 366,081,546
2012	\$ 132,497,500	\$ 226,387,260	\$ 1,966,301	\$ 357,899,879
2011	\$ 126,149,900	\$ 214,100,761	\$ 2,325,493	\$ 342,576,154
2010	\$ 122,610,900	\$ 214,746,496	\$ 2,286,077	\$ 339,643,473
2009	\$ 119,050,100	\$ 208,026,397	\$ 2,643,774	\$ 329,720,271
2008	\$ 114,169,100	\$ 225,500,155	\$ 3,018,616	\$ 342,687,871
2007	\$ 109,502,600	\$ 227,184,778	\$ 2,839,097	\$ 339,526,475

<b>Fiscal Year</b>	<b>Liquor Transfer</b>	<b>Lottery Transfer</b>	<b>Heritage Transfer</b>	<b>Total Transfers</b>
2021	\$ -	\$ 70,647,717	\$ 472,336	\$ 71,120,053
2020	\$ -	\$ 64,589,742	\$ 651,148	\$ 65,240,891
2019	\$ -	\$ 62,675,109	\$ 520,809	\$ 63,195,918
2018	\$ -	\$ 62,307,123	\$ 722,863	\$ 63,029,985
2017	\$ 9,817,000 *	\$ 58,219,690	\$ 441,357	\$ 68,478,047
2016	\$ 9,639,000 *	\$ 56,972,851	\$ 603,833	\$ 67,215,684
2015	\$ 9,714,884 *	\$ 54,002,444	\$ 647,458	\$ 64,364,786
2014	\$ 12,298,432 **	\$ 51,845,477	\$ 574,142	\$ 64,718,051
2013	\$ 10,979,738 **	\$ 52,908,602	\$ 593,629	\$ 64,481,969
2012	\$ 10,254,968 **	\$ 53,785,567	\$ 530,622	\$ 64,571,157
2011	\$ 9,405,382 **	\$ 49,547,800	\$ 645,824	\$ 59,599,007
2010	\$ 8,823,077 **	\$ 52,201,531	\$ 669,789	\$ 61,694,397
2009	\$ 8,217,940 **	\$ 49,839,434	\$ 734,120	\$ 58,791,494
2008	\$ 7,513,763 **	\$ 49,491,086	\$ 811,844	\$ 57,816,693
2007	\$ 6,356,499 **	\$ 50,624,742	\$ 810,598	\$ 57,791,839

\*These amounts represent annual transfers from the MMBB to the General Fund per the Liquor Revenue Bond. The annual transfers ended in FY2017.

\*\*These amounts include listing fees, premium tax and the profit sharing amount received from Maine Beverage Company; and the Liquor Sales, are calculated on a calendar year basis.

Department of Administrative and Financial Services  
Bureau of Alcoholic Beverages and Lottery Operations  
Lottery Operations  
Enterprise Fund - 067 - State Lottery Fund  
Balance Sheet  
As of June 30,

	2021	% of 2021 Total	2020	% of 2020 Total
<b>Assets</b>				
<b>Current Assets</b>				
Cash	\$ -	0.00%	\$ -	0.00%
Petty Cash - Imprest Fund	750,400	2.04%	750,400	1.91%
Accounts Receivable	36,100,316	98.29%	38,546,930	97.88%
Reserve for Doubtful Accounts	(123,274)	-0.34%	(141,249)	-0.36%
Prepaid Expense	-	0.00%	225,000	0.57%
<b>Total Current Assets</b>	<b>\$ 36,727,442</b>	<b>100.00%</b>	<b>\$ 39,381,081</b>	<b>100.00%</b>
<b>Fixed Assets</b>				
Equipment	(1) \$ 24,587		\$ 44,202	
Less: Reserve for Depreciation	(24,587)		(44,202)	
<b>Total Fixed Assets</b>	<b>\$ -</b>		<b>\$ -</b>	
<b>Total Assets</b>	<b>\$ 36,727,442</b>	<b>100.00%</b>	<b>\$ 39,381,081</b>	<b>100.00%</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 2,114,069	18.80%	\$ 1,622,174	10.99%
Accrued Payroll	(2) 88,400	0.79%	84,174	0.57%
Accrued Subscriptions	218,088	1.94%	176,607	1.20%
Accrued Vacation Liability	142,853	1.27%	118,390	0.80%
Due to Other Funds	(3) 8,684,458	77.21%	12,755,640	86.44%
<b>Total Liabilities</b>	<b>\$ 11,247,868</b>	<b>100.00%</b>	<b>\$ 14,756,985</b>	<b>100.00%</b>
<b>Reserves:</b>				
MUSL Prize Reserve	(4) \$ 3,445,018	13.52%	\$ 3,325,085	13.50%
Prize Reserve - Lucky for Life	(5) 1,385,748	5.44%	1,589,586	6.46%
Expired Reserve - Lucky for Life	(6) 117,428	0.46%	110,954	0.45%
Instant Ticket Prize Reserve	(7) 20,081,495	78.81%	19,310,310	78.42%
Vending Machine Voucher Liability	(8) 449,886	1.77%	288,161	1.17%
Unappropriated Surplus	-	0.00%	-	0.00%
<b>Total Reserves</b>	<b>\$ 25,479,574</b>	<b>100.00%</b>	<b>\$ 24,624,096</b>	<b>100.00%</b>
<b>Total Liabilities and Reserves</b>	<b>\$ 36,727,442</b>		<b>\$ 39,381,081</b>	

Department of Administrative and Financial Services  
 Bureau of Alcoholic Beverages and Lottery Operations  
 Lottery Operations  
 Enterprise Fund - 067 - State Lottery Fund  
 Comparative Statements of Income and Expense  
 For Fiscal Years ending: June 30,

	FY 2021	% of Sales	FY 2020	% of Sales	% Change FY 2020 to FY 2021
<b>SALES</b>					
Instant Tickets					
\$1 Instant	\$ 7,978,806	2.04%	\$ 7,799,974	2.48%	2.29%
Heritage Fund	2,007,601	0.51%	2,514,102	0.80%	(20.15%)
\$2 Instant	19,504,236	4.99%	23,044,564	7.34%	(15.36%)
\$3 Instant	22,391,040	5.73%	23,995,023	7.64%	(6.68%)
\$5 Instant	93,651,270	23.97%	68,179,765	21.71%	37.36%
\$10 Instant	74,960,960	19.18%	56,757,400	18.07%	32.07%
\$20 Instant	36,724,180	9.40%	25,961,180	8.26%	41.46%
\$25 Instant	57,420,675	14.70%	43,603,175	13.88%	31.69%
<b>Total Instant</b>	<b>\$ 314,638,768</b>	<b>80.52%</b>	<b>\$ 251,855,183</b>	<b>80.18%</b>	<b>24.93%</b>
Draw Games					
Pick 3	\$ 6,829,849	1.75%	\$ 5,805,905	1.85%	17.64%
Pick 4	5,243,894	1.34%	4,505,263	1.43%	16.39%
Megabucks	9,686,021	2.48%	9,848,818	3.14%	(1.65%)
Powerball	18,925,541	4.84%	15,487,703	4.93%	22.20%
Lucky for Life	3,542,432	0.91%	3,453,973	1.10%	2.56%
Lotto America 2018	1,723,803	0.44%	1,668,257	0.53%	3.33%
Gimme 5	1,526,344	0.39%	1,013,026	0.32%	50.67%
Mega Millions	13,698,534	3.51%	8,647,971	2.75%	58.40%
World Poker Tour	1,064,321	0.27%	1,059,469	0.34%	0.46%
<b>Total Draw</b>	<b>\$ 62,240,739</b>	<b>15.93%</b>	<b>\$ 51,490,385</b>	<b>16.39%</b>	<b>20.88%</b>
Other					
\$1 Fast Play	\$ 474,508	0.12%	\$ 642,579	0.20%	(26.16%)
\$2 Fast Play	1,664,700	0.43%	1,381,516	0.44%	20.50%
\$5 Fast Play	2,902,020	0.74%	3,171,495	1.01%	(8.50%)
\$10 Fast Play	4,636,340	1.19%	4,321,330	1.38%	7.29%
\$20 Fast Play	4,179,580	1.07%	1,248,820	N/A	234.68%
<b>Total Other</b>	<b>\$ 13,857,148</b>	<b>3.55%</b>	<b>\$ 10,765,740</b>	<b>3.43%</b>	<b>28.72%</b>
<b>Total Ticket Sales</b>	<b>\$ 390,736,655</b>	<b>100.00%</b>	<b>\$ 314,111,308</b>	<b>100.00%</b>	<b>24.39%</b>
<b>OTHER INCOME</b>					
Distribution Expenses paid by IF&W	\$ 50,190	0.01%	\$ 62,853	0.02%	(20.15%)
Expired Instant Prize Reserve	(9) 3,758,505	0.96%	3,478,870	0.89%	8.04%
Expired Instant Prize Reserve - Heritage	(9) 78,820	0.02%	86,374	0.02%	(8.75%)
Interest Income - Tri State	1,488,048	0.38%	1,591,094	0.41%	(6.48%)
Misc Income	52,461	0.01%	319,429	0.08%	(83.58%)
<b>Total Other Income</b>	<b>\$ 5,428,025</b>	<b>1.39%</b>	<b>\$ 5,538,620</b>	<b>1.42%</b>	<b>(2.00%)</b>
<b>Total Receipts</b>	<b>\$ 396,164,679</b>		<b>\$ 319,649,928</b>		<b>23.94%</b>

Department of Administrative and Financial Services  
 Bureau of Alcoholic Beverages and Lottery Operations  
 Lottery Operations  
 Enterprise Fund - 067 - State Lottery Fund  
 Comparative Statements of Income and Expense  
 For Fiscal Years ending: June 30,

	FY 2021	% of Sales	FY 2020	% of Sales	% Change FY 2020 to FY 2021
<b>EXPENSES</b>					
Cost of Goods Sold	\$ 307,556,917	78.71%	\$ 243,912,984	77.65%	26.09%
Maine Operating Expenses	4,619,664	1.18%	4,370,533	1.39%	5.70%
Tri-State/MUSL Operating Expenses	(10) 3,009,548	0.77%	2,892,312	0.92%	4.05%
Heritage Game Expenses	1,614,085	0.41%	1,949,328	0.62%	(17.20%)
Contractor Incentive Plan	(11) 5,080,526	1.30%	1,039,415	0.33%	388.79%
RewardME Lottery Club	(12) 3,163,886	0.81%	250,280	0.08%	1,164.14%
<b>Total Expenses</b>	<b>\$ 325,044,626</b>	<b>83.19%</b>	<b>\$ 254,414,852</b>	<b>81.00%</b>	<b>27.76%</b>
Transfer to General Fund	\$ 70,647,717	18.08%	\$ 64,589,742	20.56%	9.38%
Transfer to Fish & Wildlife	472,336	0.12%	651,148	0.21%	(27.46%)
Profit Due to (from) General Fund	(13)	0.00%	(5,814)	(0.00%)	
<b>Total Transfer</b>	<b>\$ 71,120,053</b>	<b>18.20%</b>	<b>\$ 65,235,076</b>	<b>20.77%</b>	<b>9.02%</b>
<b>Changes from FY 2020 to FY 2021</b>					
Sales		Dollars		Percent	
Instant	\$ 62,783,585			24.93%	
Draw	10,750,354			20.88%	
Fast Play	3,091,408			28.72%	
<b>Total</b>	<b>\$ 76,625,347</b>			<b>24.39%</b>	
Cost of Goods Sold	\$ 70,598,649			28.79%	
Maine Operating Expenses	\$ 249,131			5.70%	

Department of Administrative and Financial Services  
Bureau of Alcoholic Beverages and Lottery Operations  
Lottery Operations  
Enterprise Fund - 067 - State Lottery Fund  
Heritage Game Income Statement  
For Fiscal Years ending: June 30,

	FY 2021	% of Sales	FY 2020	% of Sales	% Change FY 2020 to FY 2021
<b>SALES</b>					
Game 394 - Lucky Catch	\$ -	0.00%	\$ (69)	0.00%	N/A
Game 395 - Moose Money	-	0.00%	(5,170)	-0.21%	N/A
Game 433 - Lobster Loot	(1,000)	-0.05%	377,460	15.01%	N/A
Game 460 - Big Bucks	(14,686)	-0.73%	996,025	39.62%	N/A
Game 474 - Wild Winners (Moose)	1,070,751	53.33%	1,145,856	45.58%	-6.55%
Game 503 - Wild Winners (Eagle)	<u>952,536</u>	47.45%	-	0.00%	N/A
<b>Total Sales (14)</b>	<b>\$ 2,007,601</b>	<b>100.00%</b>	<b>\$ 2,514,102</b>	<b>100.00%</b>	<b>-20.15%</b>
<b>OTHER INCOME</b>					
Expired Prize Reserve	\$ 78,820		\$ 86,374		-8.75%
<b>Total Other Income</b>	<b>\$ 78,820</b>		<b>\$ 86,374</b>		<b>-8.75%</b>
<b>Total Income</b>	<b>\$ 2,086,421</b>		<b>\$ 2,600,476</b>		<b>-19.77%</b>
<b>EXPENSES</b>					
Game 394 - Lucky Catch	\$ -	0.00%	\$ (42)	0.00%	N/A
Game 395 - Moose Money	-	0.00%	(3,170)	-0.13%	N/A
Game 433 - Lobster Loot	(612)	-0.03%	230,855	9.18%	N/A
Game 460 - Big Bucks	(8,966)	-0.45%	608,073	24.19%	N/A
Game 474 - Wild Winners (Moose)	710,550	35.39%	760,390	30.24%	-6.55%
Game 503 - Wild Winners (Eagle)	631,627	31.46%	-	0.00%	N/A
Vendor Fees	70,688	3.52%	88,522	3.52%	-20.15%
Agent Commission	160,608	8.00%	201,128	8.00%	-20.15%
Agent Bonus	-	0.00%	720	0.03%	N/A
Distribution Expenses	<u>50,190</u>	2.50%	<u>62,853</u>	2.50%	-20.15%
<b>Total Expenses</b>	<b>\$ 1,614,085</b>	<b>80.40%</b>	<b>\$ 1,949,328</b>	<b>77.54%</b>	<b>-17.20%</b>
<b>Inland Fish &amp; Wildlife Profit</b>	<b>\$ 472,336</b>	<b>23.53%</b>	<b>\$ 651,148</b>	<b>25.90%</b>	<b>-27.46%</b>

Agent Commissions (currently 8%) are the difference between the retail-selling price of tickets and the agent's cost.

Agent Bonus reflects the 1% bonus given to agents who sell winning prizes of \$1,000 or more, excluding the Megabucks game.

Vendor Fees are the contractual payments made to Scientific Games for instant ticket games and draw games that utilize computer systems and technology. Fees are 3.521% of sales.

Distribution Expenses are the overhead costs incurred by Lottery for distribution of Heritage Game instant tickets. This includes mail, vending machine rental and personnel costs.

**Department of Administrative and Financial Services**  
**Bureau of Alcoholic Beverages and Lottery Operations**  
**Lottery Operations**  
**Enterprise Fund - 067 - State Lottery Fund**  
**Maine Operating Expense Schedule**  
**For Fiscal Years ending: June 30,**

	FY 2021	FY 2020	% Change FY 2020 to FY 2021
<b>Lottery Administration</b>			
Personal Services	(15) \$ 2,007,383	\$ 1,960,535	2.39%
State Services	375,182	364,465	2.94%
Non-State Services	307	237	29.90%
Travel Expenses	483	1,140	(57.58%)
Rents	73,691	96,505	(23.64%)
Office Supplies	21,957	12,470	76.08%
Misc Administrative Expense	323,700	163,009	98.58%
Portion paid by IFW	(30,450)	(37,367)	(18.51%)
<i>Total Administrative</i>	<b>\$ 2,772,253</b>	<b>\$ 2,560,993</b>	<b>8.25%</b>
<b>Lottery Operations</b>			
General Operations	\$ 95,391	\$ 92,943	2.63%
Other Instant Expense	461,537	302,279	52.69%
Other Draw Expense	40,526	59,685	(32.10%)
Lucky for Life Operating Expense	6,312	4,945	27.64%
Customer Service	68,520	41,682	64.39%
Portion paid by IFW	(7,304)	(7,213)	1.27%
<i>Total Operational</i>	<b>\$ 664,982</b>	<b>\$ 494,322</b>	<b>34.52%</b>
<b>Advertising Charges</b>			
Ad Agency Fees	\$ 261,108	\$ 294,841	(11.44%)
TV/Radio Production	364,999	452,672	(19.37%)
TV/Radio Media	298,710	301,160	(0.81%)
Promotional Material	26,289	56,418	(53.40%)
Advertising Notices	-	4,927	N/A
StaCap	193,571	160,621	20.51%
Portion paid by IFW	(12,436)	(18,273)	(31.94%)
<i>Total Advertising</i>	<b>\$ 1,132,240</b>	<b>\$ 1,252,366</b>	<b>(9.59%)</b>
Subtotal	\$ 4,569,474	\$ 4,307,681	6.08%
Plus: IF&W Reimbursement	50,190	62,853	(20.15%)
<b>Total Maine Operating Expenses</b>	<b>\$ 4,619,664</b>	<b>\$ 4,370,533</b>	<b>5.70%</b>
<b>Total Sales Including Heritage</b>	<b>\$ 390,736,655</b>	<b>\$ 314,111,308</b>	<b>24.39%</b>
<b>Total Operating Expense as % of Sales</b>	<b>1.18%</b>	<b>1.39%</b>	

Department of Administrative and Financial Services  
 Bureau of Alcoholic Beverages and Lottery Operations  
 Lottery Operations

Enterprise Fund - 067 - State Lottery Fund  
 Cost of Goods Sold Schedule (excluding Heritage)

For Fiscal Years ending: June 30,

	FY 2021	% of Sales	FY 2020	% of Sales	% Change FY 2020 to FY 2021
<b>Prize Expense</b>					
\$1 Instant	\$ 5,136,888	64.38%	\$ 4,823,611	61.84%	6.49%
\$2 Instant	12,845,323	65.86%	15,236,339	66.12%	(15.69%)
\$3 Instant	14,839,893	66.28%	15,899,800	66.26%	(6.67%)
\$5 Instant	64,835,273	69.23%	46,998,251	68.93%	37.95%
\$10 Instant	54,879,911	73.21%	41,641,209	73.37%	31.79%
\$20 Instant	27,473,939	74.81%	19,268,999	74.22%	42.58%
\$25 Instant	45,046,520	78.45%	34,206,721	78.45%	31.69%
Pick 3	3,415,117	50.00%	2,903,232	50.00%	17.63%
Pick 4	2,622,252	50.01%	2,252,780	50.00%	16.40%
Megabucks	4,880,440	50.39%	4,960,095	50.36%	(1.61%)
Powerball	10,471,360	55.33%	7,766,886	50.15%	34.82%
Lucky for Life	2,119,957	59.84%	2,058,076	59.59%	3.01%
Lotto America 2018	861,606	49.98%	833,279	49.95%	3.40%
Gimme 5	808,977	53.00%	536,925	53.00%	50.67%
Mega Millions	6,815,451	49.75%	4,362,440	50.44%	56.23%
World Poker Tour	633,760	59.55%	668,603	63.11%	(5.21%)
\$1 Fast Play	292,711	61.69%	392,963	61.15%	(25.51%)
\$2 Fast Play	1,113,850	66.91%	924,339	66.91%	20.50%
\$5 Fast Play	2,017,295	69.51%	2,200,356	69.38%	(8.32%)
\$10 Fast Play	3,430,647	73.99%	3,197,582	74.00%	7.29%
\$20 Fast Play	3,112,398	74.47%	929,946	74.47%	234.69%
<b>Total Prize Expense</b>	<b>\$ 267,653,568</b>	<b>68.85%</b>	<b>\$ 212,062,430</b>	<b>68.06%</b>	<b>26.21%</b>
<b>Vendor Fees</b>					
\$1 Instant	\$ 280,934	3.52%	\$ 275,987	3.54%	1.79%
\$2 Instant	686,744	3.52%	811,399	3.52%	(15.36%)
\$3 Instant	788,389	3.52%	844,865	3.52%	(6.68%)
\$5 Instant	3,297,461	3.52%	2,400,610	3.52%	37.36%
\$10 Instant	2,639,375	3.52%	1,998,428	3.52%	32.07%
\$20 Instant	1,293,058	3.52%	914,093	3.52%	41.46%
\$25 Instant	2,021,782	3.52%	1,535,268	3.52%	31.69%
Pick 3	240,493	3.52%	204,446	3.52%	17.63%
Pick 4	184,659	3.52%	158,641	3.52%	16.40%
Megabucks	341,062	3.52%	346,787	3.52%	(1.65%)
Powerball	666,368	3.52%	545,322	3.52%	22.20%
Lucky for Life	124,729	3.52%	121,614	3.52%	2.56%
Lotto America 2018	60,695	3.52%	58,739	3.52%	3.33%
Gimme 5	53,744	3.52%	35,670	3.52%	50.67%
Mega Millions	482,325	3.52%	304,495	3.52%	58.40%
World Poker Tour	37,475	3.52%	37,304	3.52%	0.46%
\$1 Fast Play	16,709	3.52%	22,626	3.52%	(26.15%)
\$2 Fast Play	58,623	3.52%	48,649	3.52%	20.50%
\$5 Fast Play	102,188	3.52%	111,675	3.52%	(8.50%)
\$10 Fast Play	163,266	3.52%	152,174	3.52%	7.29%
\$20 Fast Play	147,176	3.52%	43,974	3.52%	234.69%
<b>Total Vendor Fees</b>	<b>\$ 13,687,255</b>	<b>3.52%</b>	<b>\$ 10,972,766</b>	<b>3.52%</b>	<b>24.74%</b>

Department of Administrative and Financial Services  
Bureau of Alcoholic Beverages and Lottery Operations  
Lottery Operations  
Enterprise Fund - 067 - State Lottery Fund  
Cost of Goods Sold Schedule (excluding Heritage)  
For Fiscal Years ending: June 30,

	FY 2021	% of Sales	FY 2020	% of Sales	% Change FY 2020 to FY 2021
<b>Agent Commissions and Bonuses</b>					
\$1 Instant	\$ 560,756	7.03%	\$ 549,732	7.05%	2.01%
\$2 Instant	1,378,067	7.07%	1,626,392	7.06%	(15.27%)
\$3 Instant	1,578,938	7.05%	1,689,777	7.04%	(6.56%)
\$5 Instant	6,638,289	7.09%	4,848,404	7.11%	36.92%
\$10 Instant	5,310,277	7.08%	4,031,088	7.10%	31.73%
\$20 Instant	2,641,883	7.19%	1,849,833	7.13%	42.82%
\$25 Instant	4,083,947	7.11%	3,107,392	7.13%	31.43%
Pick 3	342,049	5.01%	290,675	5.01%	17.67%
Pick 4	276,496	5.27%	236,412	5.25%	16.96%
Megabucks	471,420	4.87%	482,129	4.90%	(2.22%)
Powerball	953,427	5.04%	765,014	4.94%	24.63%
Lucky for Life	172,724	4.88%	176,938	5.12%	(2.38%)
Lotto America 2018	86,189	5.00%	83,409	5.00%	3.33%
Gimme 5	77,317	5.07%	50,649	5.00%	52.65%
Mega Millions	679,316	4.96%	428,958	4.96%	58.36%
World Poker Tour	53,207	5.00%	53,816	5.08%	(1.13%)
\$1 Fast Play	23,720	5.00%	32,219	5.01%	(26.38%)
\$2 Fast Play	83,989	5.05%	69,188	5.01%	21.39%
\$5 Fast Play	150,638	5.19%	160,889	5.07%	(6.37%)
\$10 Fast Play	234,974	5.07%	219,390	N/A	7.10%
\$20 Fast Play	215,045	5.15%	65,538	N/A	228.12%
<b>Total Commissions and Bonuses</b>	<b>\$ 26,012,668</b>	<b>6.69%</b>	<b>\$ 20,817,842</b>	<b>6.68%</b>	<b>24.95%</b>
<b>Other Expenses</b>					
Royalty Fees	\$ 197,725	0.05%	\$ 52,634	0.02%	275.66%
Contractor Incentive Plan	(11) 5,080,526	1.31%	1,039,415	0.33%	388.79%
RewardME Lottery Club	(12) 3,163,886	0.81%	250,280	0.08%	1,164.14%
Postage	5,702	0.00%	7,312	0.00%	(22.03%)
<b>Total Other Expenses</b>	<b>\$ 8,447,838</b>	<b>2.17%</b>	<b>\$ 1,349,641</b>	<b>0.43%</b>	<b>525.93%</b>
<b>Total Cost of Goods Sold</b>	<b>\$ 315,801,328</b>	<b>81.24%</b>	<b>\$ 245,202,679</b>	<b>78.69%</b>	<b>28.79%</b>
<b>Total Sales (excluding Heritage)</b>	<b>\$ 388,729,054</b>		<b>\$ 311,597,206</b>		
Cost of Goods Sold as % of Sales (excluding Heritage)	81.24%		78.69%		

Department of Administrative and Financial Services  
 Bureau of Alcoholic Beverages and Lottery Operations  
 Lottery Operations  
 Enterprise Fund - 067 - State Lottery Fund  
 Cost of Goods Sold - Draw Games  
 For Fiscal Years ending: June 30,

**FY 2021**

	Megabucks	Pick 3	Pick 4	Powerball	Lucky for Life	Lotto America 2018	Gimme 5	World Poker Tour	Mega Millions	Total Draw
<b>Sales</b>	\$ 9,686,021	\$ 6,829,849	\$ 5,243,894	\$ 18,925,541	\$ 3,542,432	\$ 1,723,803	\$ 1,526,344	\$ 1,064,321	\$ 13,698,534	\$ 62,240,739
Prize Expense	\$ 4,880,440	\$ 3,415,117	\$ 2,622,252	\$ 10,471,360	\$ 2,119,957	\$ 861,606	\$ 808,977	\$ 633,760	\$ 6,815,451	\$ 32,628,918
Vendor Fees	341,062	240,493	184,659	666,368	124,729	60,695	53,744	37,475	482,325	2,191,549
Agent Commission	471,420	342,049	276,496	953,427	172,724	86,189	77,317	53,207	679,316	3,112,145
<b>Total COGS</b>	<b>\$ 5,692,921</b>	<b>\$ 3,997,658</b>	<b>\$ 3,083,407</b>	<b>\$ 12,091,155</b>	<b>\$ 2,417,409</b>	<b>\$ 1,008,490</b>	<b>\$ 940,037</b>	<b>\$ 724,442</b>	<b>\$ 7,977,091</b>	<b>\$ 37,932,612</b>
<b>Gross Profit on Sales</b>	<b>\$ 3,993,100</b>	<b>\$ 2,832,191</b>	<b>\$ 2,160,486</b>	<b>\$ 6,834,386</b>	<b>\$ 1,125,023</b>	<b>\$ 715,313</b>	<b>\$ 586,307</b>	<b>\$ 339,879</b>	<b>\$ 5,721,443</b>	<b>\$ 24,308,127</b>
Gross Profit as a % of Sales	41.23%	41.47%	41.20%	36.11%	31.76%	41.50%	38.41%	31.93%	41.77%	39.06%
Tri-State/MUSL Expense/Lucky for Life Op Expense	774,920	546,418	419,560	37,848	6,312	-	122,110	-	-	\$ 1,907,169
Gross Profit as a % of Sales after Tri-State/MUSL Expense	33.22%	33.47%	33.20%	35.91%	31.58%	41.50%	30.41%	31.93%	41.77%	35.99%

**FY 2020**

	Megabucks	Pick 3	Pick 4	Powerball	Lucky for Life	Lotto America 2018	Gimme 5	World Poker Tour	Mega Millions	Total Draw
<b>Sales</b>	\$ 9,848,818	\$ 5,805,905	\$ 4,505,263	\$ 15,487,703	\$ 3,453,973	\$ 1,668,257	\$ 1,013,026	\$ 1,059,469	\$ 8,647,971	\$ 51,490,385
Prize Expense	\$ 4,960,095	\$ 2,903,232	\$ 2,252,780	\$ 7,766,886	\$ 2,058,076	\$ 833,279	\$ 536,925	\$ 668,603	\$ 4,362,440	\$ 26,342,315
Vendor Fees	346,787	204,446	158,641	545,322	121,614	58,739	35,670	37,304	304,495	1,813,018
Agent Commission	482,129	290,675	236,412	765,014	176,938	83,409	50,649	53,816	428,958	2,568,000
<b>Total COGS</b>	<b>\$ 5,789,011</b>	<b>\$ 3,398,353</b>	<b>\$ 2,647,833</b>	<b>\$ 9,077,222</b>	<b>\$ 2,356,628</b>	<b>\$ 975,426</b>	<b>\$ 623,244</b>	<b>\$ 759,723</b>	<b>\$ 5,095,893</b>	<b>\$ 30,723,333</b>
<b>Gross Profit on Sales</b>	<b>\$ 4,059,807</b>	<b>\$ 2,407,552</b>	<b>\$ 1,857,430</b>	<b>\$ 6,410,481</b>	<b>\$ 1,097,345</b>	<b>\$ 692,831</b>	<b>\$ 389,782</b>	<b>\$ 299,746</b>	<b>\$ 3,552,078</b>	<b>\$ 20,767,051</b>
Gross Profit as a % of Sales	41.22%	41.47%	41.23%	41.39%	31.77%	41.53%	38.48%	28.29%	41.07%	40.33%
Tri-State/MUSL Expense/Lucky for Life Op Expense	889,643	522,126	405,523	30,979	4,945	-	91,580	-	-	\$ 1,944,797
Gross Profit as a % of Sales after Tri-State/MUSL Expense	32.19%	32.47%	32.23%	41.19%	31.63%	41.53%	29.44%	28.29%	41.07%	36.55%

**Percentage Change FY 2020 to FY 2021**

	Megabucks	Pick 3	Pick 4	Powerball	Lucky for Life	Lotto America 2018	Gimme 5	World Poker Tour	Mega Millions	Total Draw
Sales	(1.65%)	17.64%	16.39%	22.20%	2.56%	3.33%	50.67%	0.46%	58.40%	20.88%
COGS	(1.66%)	17.64%	16.45%	33.20%	2.58%	3.39%	50.83%	(4.64%)	56.54%	23.47%
Gross Profit	(1.64%)	17.64%	16.32%	6.61%	2.52%	3.25%	50.42%	13.39%	61.07%	17.05%

Department of Administrative and Financial Services  
 Bureau of Alcoholic Beverages and Lottery Operations  
 Lottery Operations  
 Enterprise Fund - 067 - State Lottery Fund  
 Cost of Goods Sold - Instant Tickets (excluding Heritage)  
 For Fiscal Years ending: June 30,

FY 2021								
	\$1 Instant	\$2 Instant	\$3 Instant	\$5 Instant	\$10 Instant	\$20 Instant	\$25 Instant	Total Instant
<b>Sales</b>	\$ 7,978,806	\$ 19,504,236	\$ 22,391,040	\$ 93,651,270	\$ 74,960,960	\$ 36,724,180	\$ 57,420,675	\$ 312,631,167
Prize Expense	\$ 5,136,888	\$ 12,845,323	\$ 14,839,893	\$ 64,835,273	\$ 54,879,911	\$ 27,473,939	\$ 45,046,520	\$ 225,057,748
Vendor Fees	280,934	686,744	788,389	3,297,461	2,639,375	1,293,058	2,021,782	11,007,743
Agent Commission	560,756	1,378,067	1,578,938	6,638,289	5,310,277	2,641,883	4,083,947	22,192,157
Royalty Fees/StaCap	-	-	-	197,725	-	-	-	197,725
Postage/Rental of Equipment	146	356	408	1,708	1,367	670	1,047	5,702
<b>Total COGS</b>	<b>\$ 5,978,724</b>	<b>\$ 14,910,490</b>	<b>\$ 17,207,628</b>	<b>\$ 74,970,456</b>	<b>\$ 62,830,931</b>	<b>\$ 31,409,549</b>	<b>\$ 51,153,296</b>	<b>\$ 258,461,073</b>
<b>Gross Profit on Sales</b>	<b>\$ 2,000,082</b>	<b>\$ 4,593,746</b>	<b>\$ 5,183,412</b>	<b>\$ 18,680,814</b>	<b>\$ 12,130,029</b>	<b>\$ 5,314,631</b>	<b>\$ 6,267,379</b>	<b>\$ 54,170,094</b>
Gross Profit as a % of Sales	25.07%	23.55%	23.15%	19.95%	16.18%	14.47%	10.91%	17.33%
FY 2020								
	\$1 Instant	\$2 Instant	\$3 Instant	\$5 Instant	\$10 Instant	\$20 Instant	\$25 Instant	Total Instant
<b>Sales</b>	\$ 7,799,974	\$ 23,044,564	\$ 23,995,023	\$ 68,179,765	\$ 56,757,400	\$ 25,961,180	\$ 43,603,175	\$ 249,341,081
Prize Expense	\$ 4,823,611	\$ 15,236,339	\$ 15,899,800	\$ 46,998,251	\$ 41,641,209	\$ 19,268,999	\$ 34,206,721	\$ 178,074,930
Vendor Fees	275,987	811,399	844,865	2,400,610	1,998,428	914,093	1,535,268	8,780,649
Agent Commission	549,732	1,626,392	1,689,777	4,848,404	4,031,088	1,849,833	3,107,392	17,702,617
Royalty Fees/StaCap	22	-	-	52,612	-	-	-	52,634
Postage/Rental of Equipment	229	676	704	1,999	1,664	761	1,279	7,312
<b>Total COGS</b>	<b>\$ 5,649,581</b>	<b>\$ 17,674,806</b>	<b>\$ 18,435,145</b>	<b>\$ 54,301,876</b>	<b>\$ 47,672,389</b>	<b>\$ 22,033,686</b>	<b>\$ 38,850,659</b>	<b>\$ 204,618,142</b>
<b>Gross Profit on Sales</b>	<b>\$ 2,150,394</b>	<b>\$ 5,369,758</b>	<b>\$ 5,559,878</b>	<b>\$ 13,877,889</b>	<b>\$ 9,085,011</b>	<b>\$ 3,927,494</b>	<b>\$ 4,752,516</b>	<b>\$ 44,722,940</b>
Gross Profit as a % of Sales	27.57%	23.30%	23.17%	20.35%	16.01%	15.13%	10.90%	17.94%
Percentage Change FY 2020 to FY 2021								
	\$1 Instant	\$2 Instant	\$3 Instant	\$5 Instant	\$10 Instant	\$20 Instant	\$25 Instant	Total Instant
Sales	2.29%	(15.36%)	(6.68%)	37.36%	32.07%	41.46%	31.69%	25.38%
COGS	5.83%	(15.64%)	(6.66%)	38.06%	31.80%	42.55%	31.67%	26.31%
Gross Profit	(6.99%)	(14.45%)	(6.77%)	34.61%	33.52%	35.32%	31.87%	21.12%

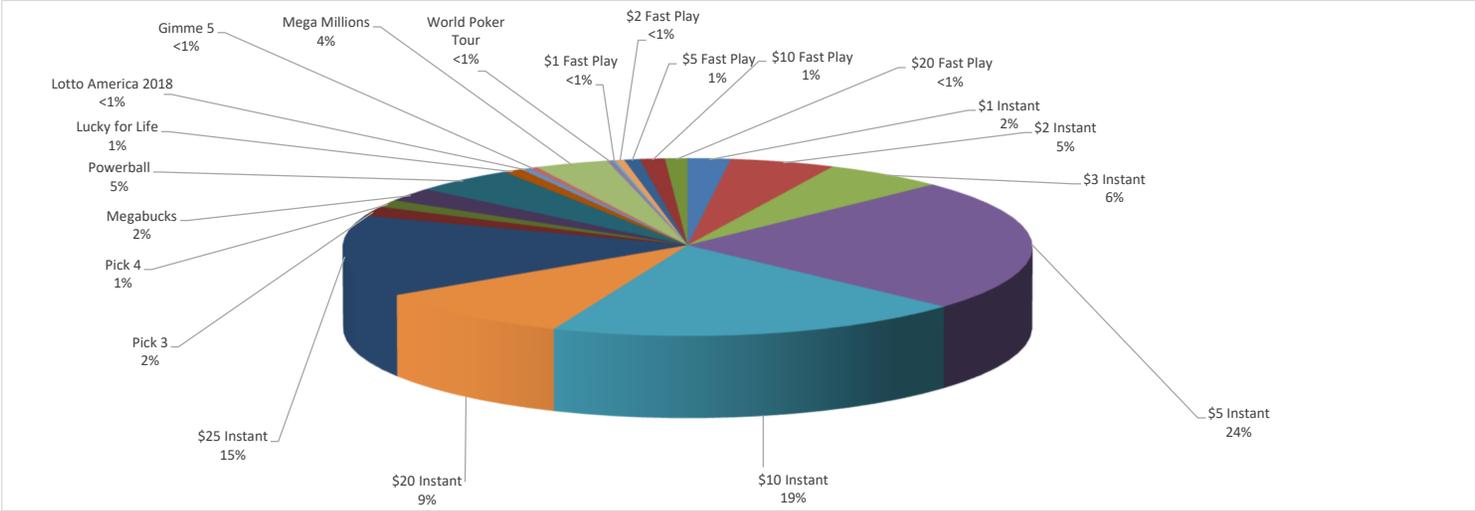
Department of Administrative and Financial Services  
Bureau of Alcoholic Beverages and Lottery Operations  
Lottery Operations  
Enterprise Fund - 067 - State Lottery Fund  
Cost of Goods Sold - Fast Play Games  
For Fiscal Years ending: June 30,

<b>FY 2021</b>						
	\$1 Fast Play	\$2 Fast Play	\$5 Fast Play	\$10 Fast Play	\$20 Fast Play	Total Fast Play
Sales	\$ 474,508	\$ 1,664,700	\$ 2,902,020	\$ 4,636,340	\$ 4,179,580	\$ 13,857,148
Prize Expense	\$ 292,711	\$ 1,113,850	\$ 2,017,295	\$ 3,430,647	\$ 3,112,398	\$ 9,966,902
Vendor Fees	16,709	58,623	102,188	163,266	147,176	487,963
Agent Commission	23,720	83,989	150,638	234,974	215,045	708,367
<b>Total COGS</b>	<b>\$ 333,140</b>	<b>\$ 1,256,462</b>	<b>\$ 2,270,122</b>	<b>\$ 3,828,888</b>	<b>\$ 3,474,620</b>	<b>\$ 11,163,231</b>
Gross Profit on Sales	<b>\$ 141,368</b>	<b>\$ 408,238</b>	<b>\$ 631,898</b>	<b>\$ 807,452</b>	<b>\$ 704,960</b>	<b>\$ 2,693,917</b>
Gross Profit as a % of Sales	29.79%	24.52%	21.77%	17.42%	16.87%	19.44%
Tri State Expense	\$ 37,965	\$ 133,196	\$ 232,180	\$ 370,954	\$ 334,397	\$ 1,108,692
Gross Profit after Tri State Expense - Percent	21.79%	16.52%	13.77%	9.41%	8.87%	11.44%

<b>FY 2020</b>						
	\$1 Fast Play	\$2 Fast Play	\$5 Fast Play	\$10 Fast Play	\$20 Fast Play	Total Fast Play
<b>Sales</b>	<b>\$ 642,579</b>	<b>\$ 1,381,516</b>	<b>\$ 3,171,495</b>	<b>\$ 4,321,330</b>	<b>\$ 1,248,820</b>	<b>\$ 10,765,740</b>
Prize Expense	\$ 392,963	\$ 924,339	\$ 2,200,356	\$ 3,197,582	\$ 929,946	\$ 7,645,186
Vendor Fees	22,626	48,649	111,675	152,174	43,974	379,098
Agent Commission	32,219	69,188	160,889	219,390	65,538	547,225
<b>Total COGS</b>	<b>\$ 447,809</b>	<b>\$ 1,042,175</b>	<b>\$ 2,472,921</b>	<b>\$ 3,569,146</b>	<b>\$ 1,039,458</b>	<b>\$ 8,571,509</b>
<b>Gross Profit on Sales</b>	<b>\$ 194,770</b>	<b>\$ 339,341</b>	<b>\$ 698,574</b>	<b>\$ 752,184</b>	<b>\$ 209,362</b>	<b>\$ 2,194,231</b>
Gross Profit as a % of Sales	30.31%	24.56%	22.03%	17.41%	16.76%	20.38%
Tri State Expense	\$ 58,934	\$ 121,116	\$ 286,725	\$ 385,772	\$ 99,914	\$ 952,460
Gross Profit after Tri State Expense - Percent	21.14%	15.80%	12.99%	8.48%	8.76%	11.53%

<b>Percentage Change FY 2020 to FY 2021</b>						
	\$1 Fast Play	\$2 Fast Play	\$5 Fast Play	\$10 Fast Play	\$20 Fast Play	Total Fast Play
Sales	(26.16%)	20.50%	(8.50%)	7.29%	234.68%	28.72%
COGS	(25.61%)	20.56%	(8.20%)	7.28%	234.27%	30.24%
Gross Profit	(27.42%)	20.30%	(9.54%)	7.35%	236.72%	22.77%

**Department of Administrative and Financial Services  
Bureau of Alcoholic Beverages and Lottery Operations  
Lottery Operations  
Enterprise Fund - 067 - State Lottery Fund  
Comparative Sales Analysis  
For FY 2021 and FY 2020**



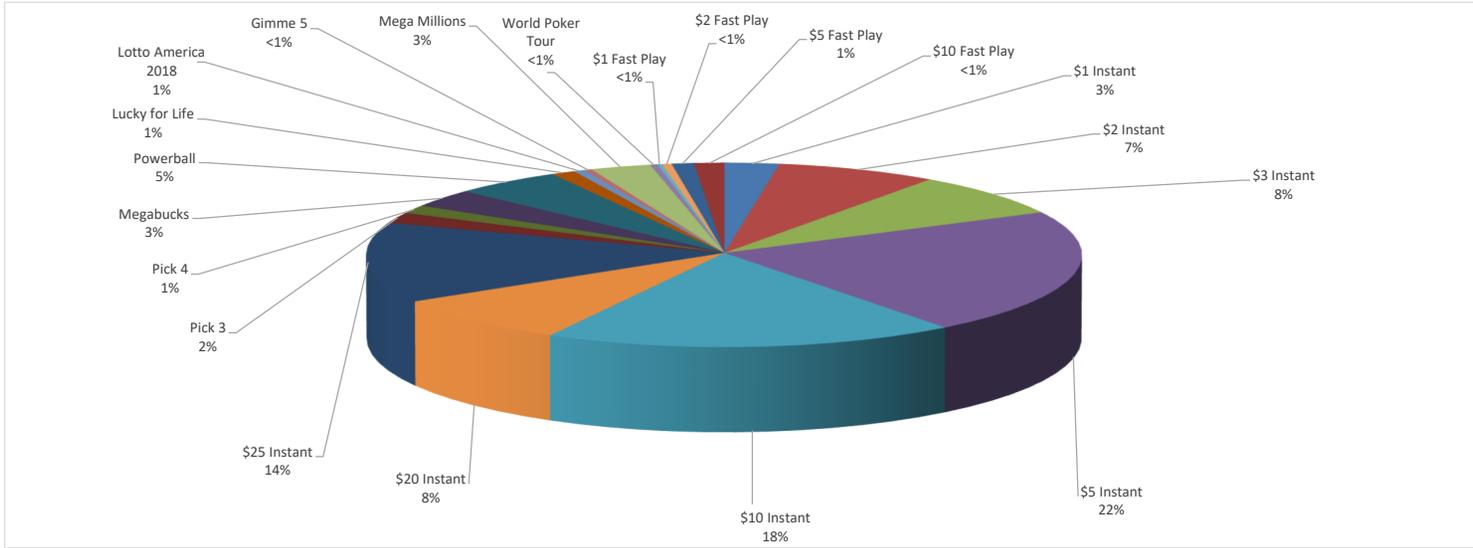
**FY 2021**

\$1 Instant	\$	7,978,806
\$2 Instant		19,504,236
\$3 Instant		22,391,040
\$5 Instant		93,651,270
\$10 Instant		74,960,960
\$20 Instant		36,724,180
\$25 Instant		57,420,675
Pick 3		6,829,849
Pick 4		5,243,894
Megabucks		9,686,021
Powerball		18,925,541
Lucky for Life		3,542,432
Lotto America 2018		1,723,803
Gimme 5		1,526,344
Mega Millions		13,698,534
World Poker Tour		1,064,321
\$1 Fast Play		474,508
\$2 Fast Play		1,664,700
\$5 Fast Play		2,902,020
\$10 Fast Play		4,636,340
\$20 Fast Play		4,179,580

**\$ 388,729,054**

\*Excludes the Outdoor Heritage Game

**Department of Administrative and Financial Services  
 Bureau of Alcoholic Beverages and Lottery Operations  
 Lottery Operations  
 Enterprise Fund - 067 - State Lottery Fund  
 Comparative Sales Analysis**



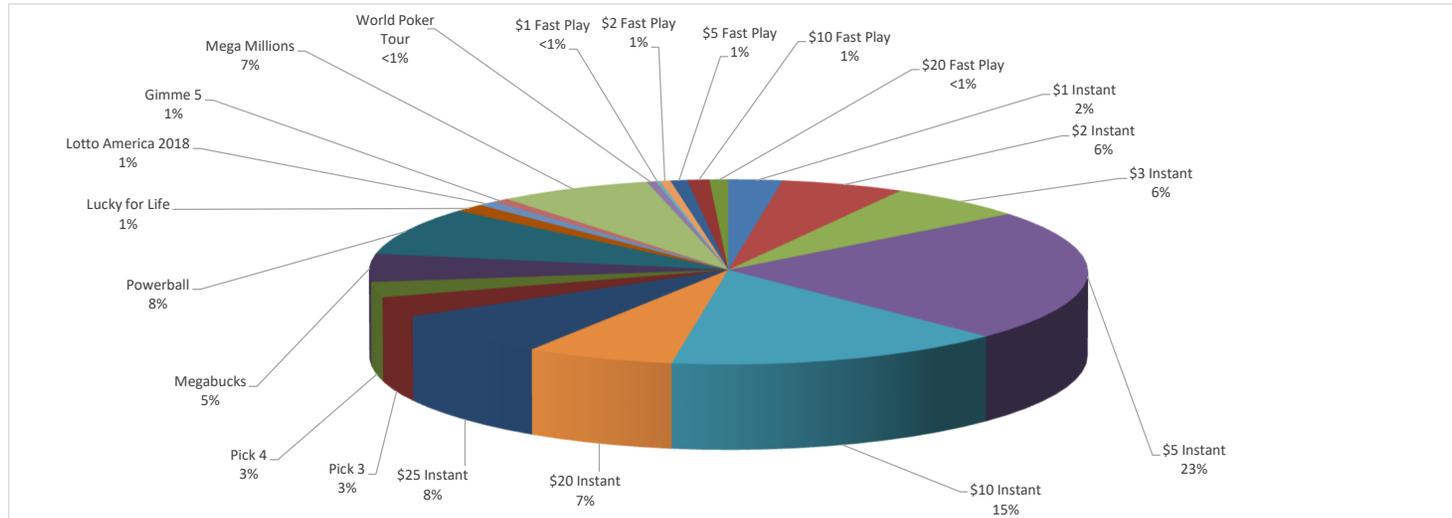
**FY 2020**

\$1 Instant	\$	7,799,974
\$2 Instant		23,044,564
\$3 Instant		23,995,023
\$5 Instant		68,179,765
\$10 Instant		56,757,400
\$20 Instant		25,961,180
\$25 Instant		43,603,175
Pick 3		5,805,905
Pick 4		4,505,263
Megabucks		9,848,818
Powerball		15,487,703
Lucky for Life		3,453,973
Lotto America 2018		1,668,257
Gimme 5		1,013,026
Mega Millions		8,647,971
World Poker Tour		1,059,469
\$1 Fast Play		642,579
\$2 Fast Play		1,381,516
\$5 Fast Play		3,171,495
\$10 Fast Play		4,321,330
\$20 Fast Play		1,248,820

**\$ 311,597,206**

\*Excludes the Outdoor Heritage Game

**Department of Administrative and Financial Services  
Bureau of Alcoholic Beverages and Lottery Operations  
Lottery Operations  
Enterprise Fund - 067 - State Lottery Fund  
Gross Profit Comparison  
For FY 2021 and FY 2020**



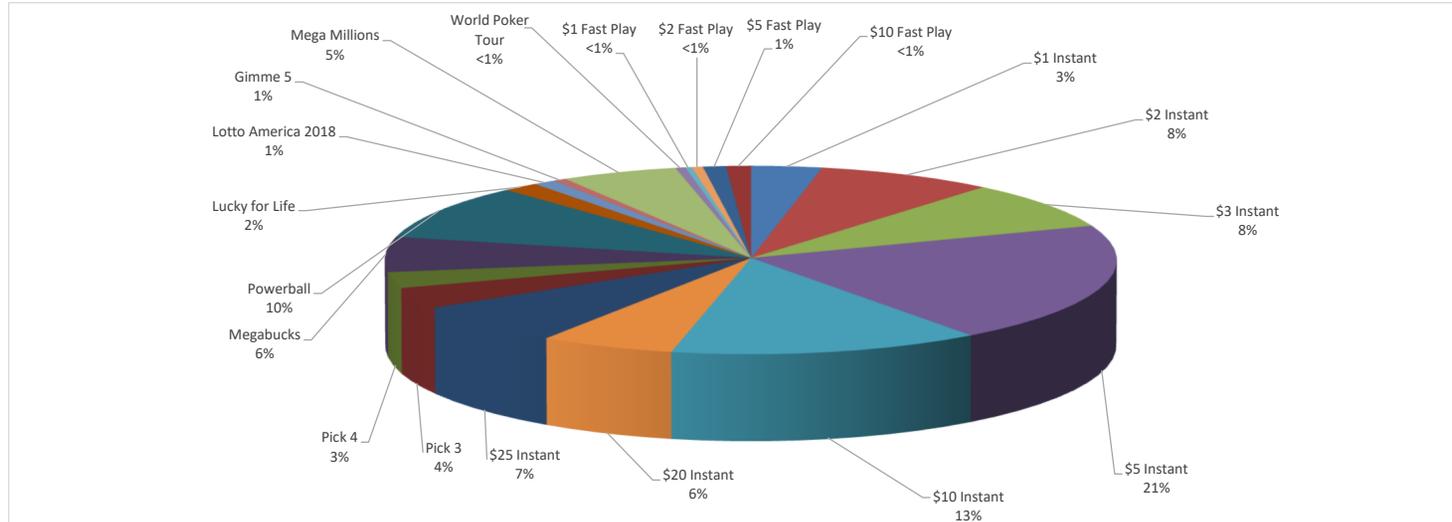
**FY 2021**

\$1 Instant	\$ 2,000,082
\$2 Instant	4,593,746
\$3 Instant	5,183,412
\$5 Instant	18,680,814
\$10 Instant	12,130,029
\$20 Instant	5,314,631
\$25 Instant	6,267,379
Pick 3	2,832,191
Pick 4	2,160,486
Megabucks	3,993,100
Powerball	6,834,386
Lucky for Life	1,125,023
Lotto America 2018	715,313
Gimme 5	586,307
Mega Millions	5,721,443
World Poker Tour	339,879
\$1 Fast Play	141,368
\$2 Fast Play	408,238
\$5 Fast Play	631,898
\$10 Fast Play	807,452
\$20 Fast Play	704,960

**\$ 80,467,177**

\*Excludes the Outdoor Heritage Game

**Department of Administrative and Financial Services  
Bureau of Alcoholic Beverages and Lottery Operations  
Lottery Operations  
Enterprise Fund - 067 - State Lottery Fund  
Gross Profit Comparison**



**FY 2020**

\$1 Instant	\$	2,150,394
\$2 Instant		5,369,758
\$3 Instant		5,559,878
\$5 Instant		13,877,889
\$10 Instant		9,085,011
\$20 Instant		3,927,494
\$25 Instant		4,752,516
Pick 3		2,407,552
Pick 4		1,857,430
Megabucks		4,059,807
Powerball		6,410,481
Lucky for Life		1,097,345
Lotto America 2018		692,831
Gimme 5		389,782
Mega Millions		3,552,078
World Poker Tour		299,746
\$1 Fast Play		194,770
\$2 Fast Play		339,341
\$5 Fast Play		698,574
\$10 Fast Play		752,184
\$20 Fast Play		209,362

**\$ 66,722,676**

\*Excludes the Outdoor Heritage Game

## Lottery Operations Notes

### **Balance Sheet:**

- (1) An unused, fully depreciated item of machinery was sent to state surplus for sale or disposal and removed from the fixed assets listing in March 2021.
- (2) Accrued Payroll is necessary to accurately reflect total salary expense for Fiscal Year 2021 and represents thirteen (13) days for June 2021.
- (3) Due to Other Funds reflects the amount of Lottery profit owed to the General Fund plus \$4.4 million set aside for the FY 2021 contractor incentive plan. This balance fluctuates depending on the timing of cash flow from the Lottery's accounts receivable bank sweeps through Treasury.
- (4) MUSL Prize Reserve represents the potential liability of prize-winning Powerball, Hot Lotto and Mega Million tickets sold but not yet redeemed.
- (5) Lucky for Life Prize Reserve represents the potential liability of prize-winning Lucky for Life tickets sold but not yet redeemed.
- (6) Lucky for Life Expired Prize Reserve represents the liability of prize-winning Lucky for Life tickets sold but not redeemed. The funds will be awarded as other prizes.
- (7) The Instant Ticket Prize Reserve represents the potential liability of prize-winning instant tickets sold but not yet redeemed.
- (8) The Vending Machine Voucher Liability represents the amount of unliquidated vouchers remaining from vending machine ticket purchases.

### **Year to Date Comparative Statements of Income and Expenses:**

- (9) Expired Instant Prize Reserve represents the income received from winning expired instant tickets never redeemed.
- (10) Tri-State/MUSL Operating Expense is listed as a separate line item to accurately reflect the Cost of Goods Sold. The amounts are determined as follows:
  - a. Tri-State Operating Expense – 16.521 percent of Tri-State sales less commissions and vendor fees.
  - b. MUSL Marketing Fee - .2 percent of MUSL sales.
- (11) Contractor Incentive Plan reflects a substantial increase in Fiscal Year 2021 due to a record increase in annual sales over the three-year benchmark used to calculate the incentive.

## Lottery Operations Notes (continued)

### **Year to Date Comparative Statements of Income and Expenses (continued):**

- (12) The RewardME Lottery Club balance ran a surplus during FY 2020, so the state ceased paying into the fund. In FY 2021, the state resumed adding funds to the account to support promotions.
- (13) A Cash Pool Distribution from the State Treasury posted after the Lottery General Fund transfer occurred, but still posted for FY19. The amount reflected in the cash and unappropriated surplus accounts for carryover and was included in the July 2019 General Fund transfer in Fiscal Year 2020.

### **Heritage Game Income Statement:**

- (14) Heritage Game instant tickets are sold through the Maine State Lottery to generate revenues that directly benefit conservation projects through the following grant categories:

- Category 1     Fisheries and wildlife habitat conservation projects
- Category 2     Acquisition and management of public lands, parks, wildlife conservation areas and public access, and outdoor recreation sites and facilities
- Category 3     Endangered and threatened species conservation projects
- Category 4     Natural resources law enforcement

### **Maine Operating Expense Schedule:**

- (15) Included in Personal Services for June 2021 is thirteen (13) days of payroll accrual. The accrual is necessary to help more accurately reflect total salary expense for Fiscal Year 2021.

Department of Administrative and Financial Services  
 Bureau of Alcoholic Beverages and Lottery Operations  
 Spirits Operations  
 Enterprise Fund - 060 - Alcoholic Beverage Fund  
 Balance Sheet  
 As of June 30,

**ASSETS:**

	2021	% of 2021 Total	2020	% of 2020 Total
<b>Current Assets</b>				
Cash	\$ 15,159,564	27.34%	\$ 11,690,509	11.40%
Cash with Fiduciary	35,993,384	64.92%	85,539,964	83.42%
Accounts Receivable	3,688,568	6.65%	5,309,803	5.18%
Prepaid Expenses	600,000	1.08%	-	N/A
Total Current Assets	<b>\$ 55,441,516</b>	<b>100.00%</b>	<b>\$ 102,540,276</b>	<b>100.00%</b>
<b>TOTAL ASSETS</b>	<b>\$ 55,441,516</b>	<b>100.00%</b>	<b>\$ 102,540,276</b>	<b>100.00%</b>

**LIABILITIES:**

Accounts Payable	(16) \$ 7,798,071	9.09%	\$ 7,314,855	6.72%
Compensated Absences	51,788	0.06%	43,910	0.04%
Due to Other Funds	(17) 73,215,000	85.39%	96,915,000	89.04%
Interest Matured Payable	4,661,582	5.44%	4,556,444	4.19%
Accrued payroll	(18) 15,705	0.02%	13,748	0.01%
<b>TOTAL LIABILITIES</b>	<b>\$ 85,742,145</b>	<b>100.00%</b>	<b>\$ 108,843,957</b>	<b>100.00%</b>

**RESERVES:**

Retained Earnings	\$ 58,543,052	-193.21%	\$ 35,158,173	-557.74%
Unappropriated Surplus	(10,843,681)	35.79%	(41,461,854)	657.74%
Profit or Loss	(19) (78,000,000)	257.42%	-	
<b>TOTAL RESERVES</b>	<b>\$ (30,300,629)</b>	<b>100.00%</b>	<b>\$ (6,303,681)</b>	<b>100.00%</b>

<b>TOTAL LIABILITIES &amp; RESERVES</b>	<b>\$ 55,441,516</b>		<b>\$ 102,540,276</b>	
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Department of Administrative and Financial Services  
Bureau of Alcoholic Beverages and Lottery Operations  
Spirits Operations  
Enterprise Fund - 060 - Alcoholic Beverage Fund  
Comparative Statements of Income and Expense  
For Fiscal Years ending June 30,

	FY 2021	% of Sales	FY 2020	% of Sales	% Change FY 2020 to FY 2021
<b>Sales</b>					
Spirit Sales	(20) \$ 236,999,257	100.00%	\$ 218,520,081	100.00%	8.46%
<i>Total Spirit Sales</i>	<u>\$ 236,999,257</u>	<b>100.00%</b>	<u>\$ 218,520,081</u>	<b>100.00%</b>	
<b>Other Revenue</b>					
Interest earned	\$ 181,143		\$ 2,257,477		
Revenue Transfer to General Fund and MDOT	(21) -		(22,337,400)		
Prior year adjustment	(22) -		(171,456)		
<i>Total Other Revenue</i>	<u>\$ 181,143</u>		<u>\$ (20,251,379)</u>		
<b>Total Revenue</b>	<b>\$ 237,180,400</b>		<b>\$ 198,268,702</b>		<b>19.63%</b>
<b>Spirit Expenses</b>					
Product cost	\$ 154,728,211	65.29%	\$ 139,135,540	63.67%	11.21%
Bottle deposit	2,494,471	1.05%	2,706,190	1.24%	(7.82%)
Warehousing & Distribution	10,547,778	4.45%	9,494,005	4.34%	11.10%
Trade Marketing	4,991,965	2.11%	4,611,284	2.11%	8.26%
Personnel	314,594	0.13%	304,760	0.14%	3.23%
Advertising	353,351	0.15%	369,332	0.17%	(4.33%)
Technology	6,708	0.00%	4,970	0.00%	34.95%
Misc operating expenses	1,529,391	0.65%	1,262,429	0.58%	21.15%
Stacap	216,995	0.09%	186,490	0.09%	16.36%
<i>Total Spirit Expenses</i>	<u>\$ 175,183,463</u>	<b>73.92%</b>	<u>\$ 158,075,000</u>	<b>72.34%</b>	<b>10.82%</b>
<b>Other Expenses</b>					
Bond bank quarterly fees	\$ 102,920	N/A	\$ 208,304	0.10%	(50.59%)
Interest payments due on bonds	3,350,966	1.41%	4,827,226	2.21%	(30.58%)
<i>Total Other Expenses</i>	<u>\$ 3,453,885</u>	<b>1.46%</b>	<u>\$ 5,035,530</u>	<b>2.30%</b>	<b>(31.41%)</b>
<b>Total Expenses</b>	<b>\$ 178,637,349</b>	<b>75.37%</b>	<b>\$ 163,110,529</b>	<b>74.64%</b>	<b>9.52%</b>
<b>General Fund Transfers</b>					
Product listing fee transfer to General Fund	\$ 95,910	0.04%	\$ 54,800	0.03%	75.02%
Premium tax transfer to General Fund	3,123,535	1.32%	2,965,214	1.36%	5.34%
<i>Total GF Transfers</i>	<u>\$ 3,219,445</u>	<b>1.36%</b>	<u>\$ 3,020,014</u>	<b>1.38%</b>	<b>6.60%</b>
<b>Profit</b>	<b>Total Profit</b>				
	<u>\$ 55,323,607</u>	<b>23.34%</b>	<u>\$ 32,138,158</u>	<b>14.71%</b>	<b>72.14%</b>
<b>Other Transfers</b>					
Transfer from MMBB	(23) \$ 7,000,000	2.95%	\$ 7,000,000	3.20%	0.00%
<i>Total Other Transfers</i>	<u>\$ 7,000,000</u>	<b>2.95%</b>	<u>\$ 7,000,000</u>	<b>3.20%</b>	<b>0.00%</b>

## Spirit Operations Notes

### **Balance Sheet:**

- (16) Accounts Payable represents invoices that have been processed and for which payment is due, that will not be disbursed until July.
- (17) Due to Other Funds reflects the amount outstanding for the Bonds with Maine Municipal Bond Bank.
- (18) Accrued Payroll is necessary to help more accurately reflect total salary expense for Fiscal Year 2021 and represents thirteen (13) days for June 2021.
- (19) Profit or Loss represents spirits profits the Maine Municipal Bond Bank transferred to the Treasurer's cash pool for investment. Of the total, \$50 million was transferred to the state General Fund in June 2021 (Fiscal Year 2021) but won't reflect on the balance sheet until July 2021 (Fiscal Year 2022).

### **Income Statement:**

- (20) Spirit Sales include the revenue from sales to agency stores, plus bottle deposit, bailment from suppliers for warehouse activity and suppliers' share of dollar discounts for monthly special pricing. The bottle deposit is subsequently booked as an expense in the Spirits Expenses section.
- (21) The entry reflects FY 2020 revenue transfers of \$20 million to the unappropriated surplus of the General Fund per Public Law 2020, chapter 616, part H, section H-1 and the balance of the reflected total to Maine Department of Transportation per Public Law 2014, chapter 269, section 6054, subsection 3C.
- (22) Prior Year Adjustment, for Fiscal Year 2020 represents account coding corrections in the state accounting system.
- (23) This reflects the amount transferred back from Maine Municipal Bond Bank to the Safe Drinking Water Fund, the Clean Water Fund and the Maine Department of Transportation. For Fiscal Year 2021, amounts and details are:

<b>Program</b>	<b>Amount</b>	<b>Notes</b>
Safe Drinking Water	\$ 2,220,000	Transferred to Department of Health and Human Services will occur in FY22
Clean Water	2,460,000	Transferred to Department of Environmental Protection in FY21
Highways & Bridges	<u>2,320,000</u>	Transferred to Department of Transportation in FY21
<b>Total</b>	<b><u>\$ 7,000,000</u></b>	